

**State of Montana General Fund Housing Policy-
Tax Expenditure Housing Subsidies YES
Support for Affordable Housing NO**

Currently, in Montana the only Montana general fund support for Montana citizen's housing needs comes through tax expenditures. The state of Montana general fund does not otherwise provide any direct subsidy of housing needs in Montana including housing for families with low incomes, seniors, or persons with disabilities. Montana does not provide a single penny of general fund support for affordable housing needs-one of only a few states to fail to address affordable housing needs.

Tax expenditures are defined as provisions of the tax code that provide for special exclusions, exemptions, deductions, credits, deferrals, or preferential tax rates that result in foregone revenue.

The purpose of tax expenditures is to provide financial assistance to certain groups of taxpayers, or to provide an economic incentive that encourages specific taxpayer behavior with the purpose of public benefit. The same benefit could be achieved through a direct subsidy. A tax expenditure is the same as a direct subsidy in its impact on the state budget .

The home mortgage interest deduction (currently allowable on interest on mortgages up to a combined \$1 Million for first and second homes) is a tax expenditure. Your home for these purposes could be a boat or RV, as long as it has cooking, sleeping and bathroom facilities, and you live in it part of the year. In Montana, taxpayers receive both a federal and state tax deduction for their allowable home mortgage interest. The Montana home mortgage interest deduction is believed to be the largest state of Montana general fund housing subsidy-**\$64 million plus annually**. Originally, the home mortgage interest deduction was developed as an inducement to encourage home ownership.

Another significant general fund tax expenditure subsidy is the **property tax deduction on owner occupied housing-about \$19.5 Million**. The final big subsidy is the **capital gains exclusion**- homeowners may exclude from taxation up to \$500,000 (married)/ \$250,000 (single) in capital gains on the sale of a home that has been their principal residence for at least two of the five years preceding the sale-there is no limit beyond the residency requirement (each sale must be two years apart) as to how often you can receive this subsidy. Savvy real estate speculators exploited this tax rule by moving between residences every two years. The Housing and Economic Recovery Act of 2008 tightened up these rules effective January 1, 2009 going forward. The new Capital Gains Exclusion formula is not an all-or-nothing proposition. Instead, it's a ratio of the number of days the home was a primary residence (minimum 2 years) divided by the number of days the home was owned during the previous 5 years. The size of this subsidy's fiscal impact in Montana is difficult to determine since it is not reported anywhere on either state or federal income tax returns.

These tax expenditure subsidies have a number of things in common-you receive these subsidies on both your Montana and federal taxes (a double dip of federal and state subsidy), they provide many tax payers who benefit from them an important legitimate public purpose and benefit, and in the case of all these tax expenditure subsidies most of the benefit goes grossly disproportionately to subsidize a relatively small number of high income households living in high cost housing.

**Does the current status quo and pattern of tax expenditure housing subsidy with no general fund subsidy of affordable housing serve the highest priority public purpose and benefit in terms of supporting the housing needs of all Montanans?
Do we need to adjust state housing policy to better address the housing needs for all citizens?**

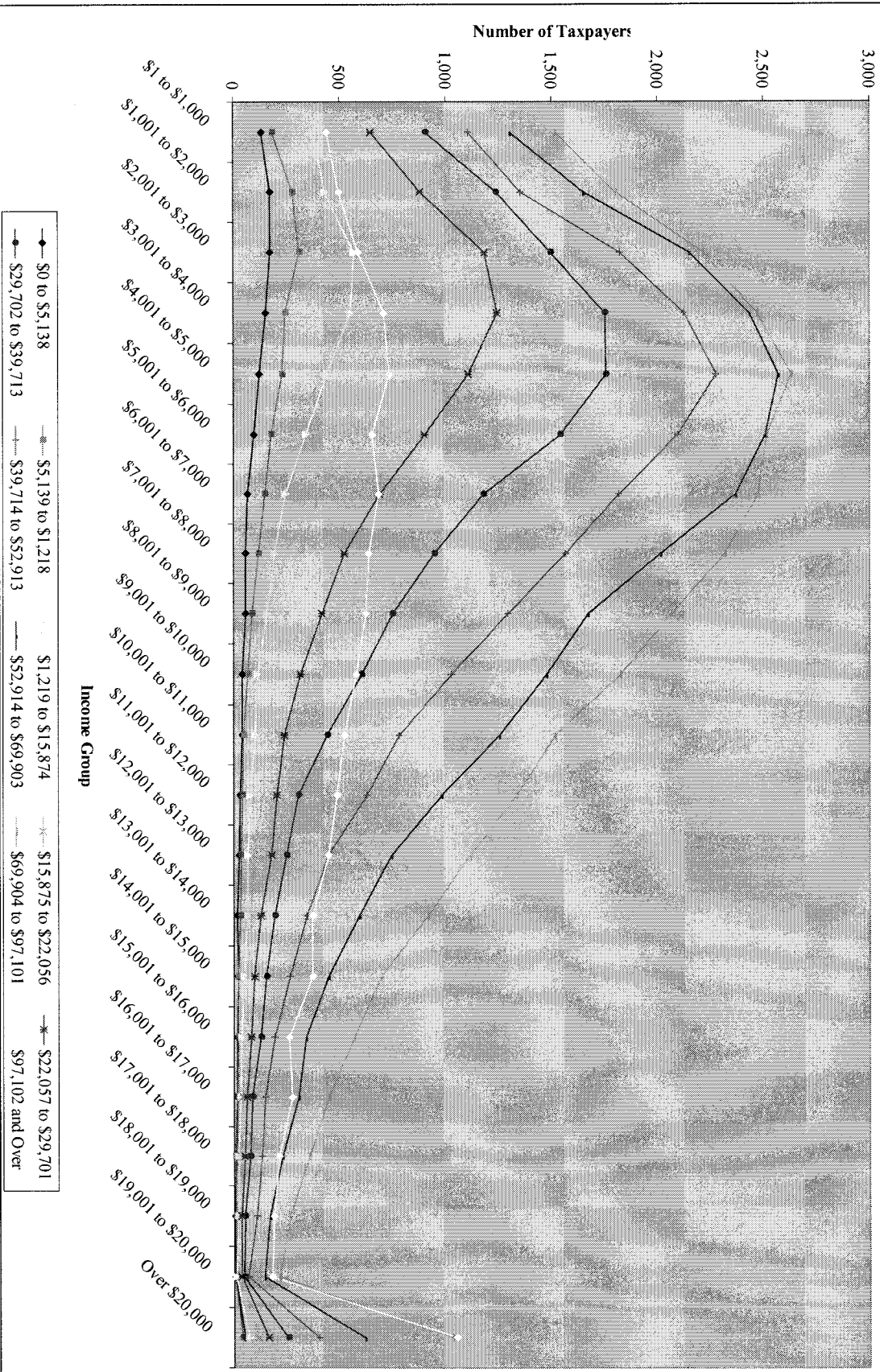
Home Mortgage Interest Deduction Taken On 2007 Full Year Resident Returns

Income Range	Returns in Decile Group	Returns Taking Deduction	% of Returns in Decile Group Taking Deduction	% of Returns Taking Deduction in Decile Group	Deductions Taken on Returns in Decile Group	% of Total Deductions Taken by Returns in Decile Group	Increase in Tax Liability from Disallowing Deduction	% of Tax Reduction in Decile Group
\$0 to \$5,138	42,910	1,240	2.9%	0.9%	\$7,925,117	0.7%	\$230	0.0%
\$5,139 to \$1,218	42,910	2,039	4.8%	1.4%	\$11,197,333	1.0%	\$15,840	0.0%
\$1,219 to \$15,874	42,910	3,840	8.9%	2.7%	\$21,570,730	2.0%	\$129,509	0.2%
\$15,875 to \$22,056	42,910	5,698	13.3%	4.0%	\$32,239,470	3.0%	\$514,189	0.8%
\$22,057 to \$29,701	42,911	8,930	20.8%	6.3%	\$51,296,486	4.7%	\$1,687,869	2.6%
\$29,702 to \$39,713	42,910	13,860	32.3%	9.8%	\$82,220,415	7.5%	\$3,977,110	6.2%
\$39,714 to \$52,913	42,910	19,671	45.8%	14.0%	\$128,205,510	11.8%	\$7,376,839	11.5%
\$52,914 to \$69,903	42,910	25,589	59.6%	18.2%	\$182,147,720	16.7%	\$11,643,136	18.1%
\$69,904 to \$97,101	42,910	29,842	69.5%	21.2%	\$231,984,543	21.3%	\$15,816,724	24.6%
\$97,102 and over	42,911	30,248	70.5%	21.5%	\$340,244,820	31.2%	\$23,224,022	36.1%
	429,102	140,957	32.8%	100.0%	\$1,089,032,144	100.0%	\$64,385,468	100.0%
\$97,102 to \$115,305	14,304	10,521	73.6%	7.5%	\$92,867,063	8.5%	\$6,401,821	9.9%
\$115,306 to \$159,371	14,303	10,335	72.3%	7.3%	\$105,738,235	9.7%	\$7,290,702	11.3%
\$159,372 and over	14,304	9,392	65.7%	6.7%	\$141,639,522	13.0%	\$9,531,498	14.8%

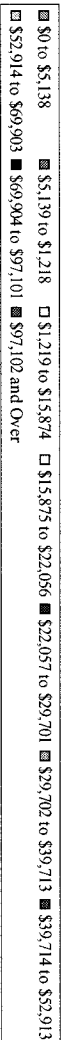
2007 Full Year Resident Returns Claiming Home Mortgage Interest Deduction

Returns with Home Mortgage Interest Deduction										Returns with Tax Reduction from Mortgage Interest Deduction									
Income Range	Returns in Decile Group	Number	Mean Deduction	Minimum Deduction	Maximum Deduction	Median Deduction	Mode of Deductions	Number	Mean Tax Reduction	Tax		Median Tax Reduction	Mode of Tax Reductions						
										Minimum	Maximum			Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
\$0 to \$5,138	42,910	1,288	\$6,282	\$2	\$118,605	\$4,135	\$2,800	40	\$6	\$0	\$14	\$6	n/a						
\$5,139 to \$1,218	42,910	2,100	\$5,486	\$1	\$65,336	\$4,154	\$160	630	\$25	\$0	\$114	\$17	\$7						
\$1,219 to \$15,874	42,910	3,943	\$5,606	\$3	\$290,995	\$4,088	\$761	2,260	\$57	\$0	\$300	\$42	\$9						
\$15,875 to \$22,056	42,910	5,829	\$5,680	\$4	\$73,157	\$4,280	\$3,991	4,498	\$114	\$0	\$585	\$87	\$13						
\$22,057 to \$29,701	42,911	9,149	\$5,774	\$1	\$84,381	\$4,544	\$2,000	8,282	\$204	\$0	\$1,108	\$169	\$26						
\$29,702 to \$39,713	42,910	14,117	\$5,995	\$1	\$86,528	\$4,953	\$2,262	13,580	\$293	\$0	\$1,664	\$250	\$203						
\$39,714 to \$52,913	42,910	19,980	\$6,589	\$1	\$96,770	\$5,591	\$3,400	19,573	\$377	\$0	\$2,282	\$324	\$230						
\$52,914 to \$69,903	42,910	25,956	\$7,202	\$1	\$1438,664	\$6,140	\$3,056	25,677	\$453	\$0	\$3,446	\$392	\$172						
\$69,904 to \$97,101	42,910	30,267	\$7,857	\$1	\$1,452,09	\$6,803	\$1,923	30,035	\$527	\$0	\$4,071	\$458	\$446						
\$97,102 and over	42,911	30,723	\$11,333	\$1	\$221,091	\$8,775	\$6,115	30,544	\$760	\$0	\$15,255	\$592	\$266						
	429,102	143,352	\$7,791	\$1	\$1,438,664	\$6,116	\$4,000	135,119	\$477	\$0	\$15,255	\$365	\$342						
\$97,102 to \$115,305	14,304	10,653	\$8,901	\$1	\$97,137	\$7,548	\$97	10,588	\$605	\$0	\$5,877	\$515	\$434						
\$115,306 to \$159,371	14,303	10,473	\$10,314	\$1	\$118,194	\$8,478	\$2,742	10,402	\$701	\$0	\$5,801	\$578	\$225						
\$159,372 and over	14,304	9,597	\$15,145	\$1	\$221,091	\$11,261	\$7,497	9,554	\$998	\$0	\$15,255	\$736	\$390						

Home Mortgage Interest Use by Size of Deduction by Income Decile Group



by Income Decile Group





Inclusive Housing Design

Visitability
Universal Design
Accessible Housing for All

www.montanahomechoice.org

(406) 449-3120 ext. 11

What is Visitability?

Visitability is a goal in design to remove the common minimal barriers that prevent people from visiting the homes of their friends, neighbors, and family in all housing. A visitable home is designed in a way that anyone is able to come for a visit, regardless of age or physical ability.

Making a home visitable is simple and costs little or nothing, what it really calls for is a change of mindset to think of the whole population when designing a home. The minimum requirements for a home to qualify as visitable are:

1. There is at least one no-step entrance;
2. There is an accessible bathroom on the ground floor; and
3. Each doorway on the main floor has a minimum of 32-inches of clear space. (36 inch doorway)

However, those are just the minimum standards to visitability. To make a home even more visitor friendly homes should have a bedroom on the ground floor, and outlets and switches at a reachable height, all common areas should be accessible and useable by all. All or most of ground level floor should be accessible.

For more on visitability see: Visitability:UM Rural Institute Montana Disability and Health Program, Research and Training Center on Disability in Rural Communities
<http://mtdh.ruralinstitute.umt.edu/Publications/Visitability.htm>

Visit-Ability: Powerpoint Presentations Presented on February 19 and 20, 2008, in Missoula, and Helena, Montana by Eleanor Smith, Founder of Concrete Change and the Visitability movement

<http://mtdh.ruralinstitute.umt.edu/Publications/IntroVisitability.pdf>

<http://mtdh.ruralinstitute.umt.edu/Publications/Visitability.pdf>

HUD Visitability Guide -Strategies for Providing Accessibility and Visit-ability for HOPE VI and Mixed Finance Homeownership: <http://www.huduser.org/Publications/pdf/strategies.pdf>

“Accessibility and Visitability Features in Single-family Homes: A Review of State and Local Activity” Report http://research.aarp.org/il/2002_03_homes.html

Concrete Change is an international advocacy effort to make all homes visitable. Includes useful powerpoint presentation on zero-step entry ways. <http://www.concretechange.org/>

The Rehabilitation Engineering and Research Center on Universal Design site:
<http://www.ap.buffalo.edu/idea/visitability/>

What is Universal Design?

“Universal design is the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design.”

–Ron Mace, founder of the Center for Universal Design at North Carolina State University

Universal Design in housing is more than visitability; it is adaptability and usability. Instead of thinking of the whole population as visitors, it calls for housing designers to think of the whole population as occupants. A universally designed house is visitable as well as adaptable to anyone who may live in the home. Common features of a universally designed house are:

1. At least one stepless entrance
2. An open plan design (minimizes hallways and doorways and maximizes sight lines).
3. At least one bedroom and accessible bathroom on the ground floor.
4. Each door has a minimum of 32-inches of clear space. (36 inch door)
5. Five feet diameter turning space in all rooms (including bathroom).
6. Hallways and archways at least 42 inches wide.
7. All stairs should be adaptable to a lift if necessary, and have handrails that extend beyond the top and bottom risers.
8. At least one bathroom with accessible bathing features such as a curbless shower, or transfer tub, and all bathrooms with reinforcements built in for grab bars if they need to be installed later.

Links for more information on Universal Design

http://www.design.ncsu.edu/cud/pubs_p/docs/PublicationsList.pdf

The Center for Universal Design at North Carolina State University is the leading organization on Universal Design. The site is a comprehensive resource on Universal Design offering research, information, technical assistance, design ideas, links to additional resources, and more.

<http://www.universaldesign.org/>

Universal Design Alliance website resource website.

<http://www.huduser.org/Publications/PDF/remodel.pdf> - “Residential Remodeling and Universal Design: Making Homes More Comfortable and Accessible” an article available from HUD (large file) with pictures and instructions showing how to make a home Universally Designed. It gives examples of features of Universal Design for the whole home, ranging from the most basic to the most extensive.

<http://www.aarp.org/life/homedesign/> - This is the Universal Design main page for the AARP website with links to information about Universal Design and ideas, tips and checklists to make your home’s design safe and barrier free.

<http://www.ap.buffalo.edu/rercud/indexwelcome.htm> - Rehabilitation Engineering and Research Center on Universal Design (RERC UD) at Buffalo has news and information on its research towards the advancement of Universal Design.

How to Build Accessible Housing

Below are links to different resources on accessible design and construction

Accessible Building Products

<http://www.toolbase.org/ToolbaseResources/level3.aspx?BucketID=2&CategoryID=22>
Building industry technical assistance website on Universal Design.

<http://www.toolbase.org/Home-Building-Topics/Universal-Design/dabp> – ToolBase Services keeps an updated list of accessible products for home construction searchable by room and product type.

Resources for Building Housing that Meets Accessibility Legal Requirements

<http://www.fairhousingfirst.org/index.asp> - Fair Housing Accessibility FIRST (Fair Housing Instruction, Resources, Support, Technical Guidance) website offers training, education, and legal materials on ADA and Fair Housing Act compliance. The organization also conducts site trainings on compliance with the Fair Housing Act and Disability Rights Laws.

<http://www.huduser.org/Publications/PDF/FAIRHOUSING/fairfull.pdf> - HUD's guide to building housing that meets Fair Housing Act standards.

<http://www.hud.gov/offices/fheo/disabilities/accessibilityR.cfm> - This HUD website provides information on the housing accessibility requirements for both private and federally assisted housing.

Ramps

<http://www.wheelchairramp.org/> - This site offers a comprehensive manual on designing and constructing modular ramps for your home.

For technical assistance regarding developing housing that is accessible, usable, and marketable to the maximum extent possible across the age and ability spectrum, please contact Michael M. O'Neil, State Director, Montana Home Choice Coalition, AWARE Inc. at (406) 449-3120 ext. 11
montanahomechoice@aware-inc.org; website: www.montanahomechoice.org

[illegible]

Map by: Census & Economic Information Center
Montana Department of Commerce

Percent 65 and Older by County

County	Projected Percent 65 and Older (2040)
Lincoln	28.1%
Richland	23.4%
Glacier	16.0%
Toole	20.3%
Liberty	28.6%
Hill	18.4%
Blaine	17.7%
Phillips	26.7%
Valley	25.4%
Roosevelt	17.3%
Richland	24.9%
DeWitt	26.0%
Deer Lodge	30.5%
Stillwater	34.7%
Missoula	10.4%
Lake	22.6%
Sanders	27.9%
Mineral	26.1%
Glacier	16.0%
Flathead	24.8%
Chouteau	24.0%
Blaine	17.7%
Phillips	26.7%
Valley	25.4%
Roosevelt	17.3%
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Source: NPA Data Services Inc. 2006 Regional Economic Projections Series, Montana Population Projections, November 2006

65+2025.mxd - January 2008



Montana Home Choice Coalition

Quality Housing for Seniors, Adults, Children, and Families with Disabilities

A Coalition of Montana Citizens, Advocates, Providers, Federal, State, Tribal, and Local Agencies, the Housing Finance community, Realtors, and the Home-Building industry working together to create better community housing choices for all people with disabilities.



A.W.A.R.E. Inc. serves as the lead coordinating agency of the Montana Home Choice Coalition.

MISSION STATEMENT

Our mission is to create better community housing choices for all people with disabilities by working through a coalition of citizens, advocates, providers, local, state, tribal, and federal agencies, the housing finance community, realtors, and the home building industry.

VISION STATEMENT

All Montanans with disabilities will enjoy quality, attainable, and safe housing of their own choice.

GUIDING PRINCIPLES

We believe that every person is deserving of quality, affordable, and safe housing of their own choosing. We know that housing choice for people and families with disabilities is the cornerstone of a stable life in the community offering greater independence and dignity.

We come together to promote home ownership and community living opportunities for people with disabilities.

We strive to bring together Montana citizens with disabilities, advocates, affordable housing providers; housing officials; disability related service providers; officials directing publicly funded disability related services; and the banking and housing finance industry.

We experience productive relationships on the federal, state, and community level to better meet the housing and service needs of people with disabilities in communities across Montana.

The Montana Home Choice Coalition has been convened and sustained through the vital financial and organizational support of A.W.A.R.E. Inc.

**A Guide to Assessing
Senior Assisted Living
Needs in Your Community**
State of Montana

http://housing.mt.gov/Includes/HM/PDF/HM_SeniorHsg.pdf

**Mobile Home Decommissioning & Replacement and Mobile Home Park
Acquisition Strategies for Montana - A Preliminary Analysis and Report**

http://housing.mt.gov/Includes/CP/Docs&Rpts/CP-HRDCMobileHomeRpt_06-2006.pdf